

# DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600  
FUND: Enterprise - 0083

## Budget Summary

Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Variance
<b>Expenditures</b>					
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operation Costs	\$160,182,288	\$145,011,202	\$157,676,195	\$153,857,157	(\$3,819,038)
Debt & Depreciation	\$2,437,503	\$2,211,563	\$2,391,532	\$3,187,051	\$795,519
Capital Outlay	\$320,000	\$337,002	\$185,000	\$150,000	(\$35,000)
Interdept. Charges	\$2,434,954	\$2,224,498	\$2,847,642	\$3,214,645	\$367,003
<b>Total Expenditures</b>	<b>\$165,374,745</b>	<b>\$149,784,265</b>	<b>\$163,100,369</b>	<b>\$160,408,853</b>	<b>(\$2,691,516)</b>
<b>Revenues</b>					
Direct Revenue	\$49,534,651	\$43,045,780	\$45,803,159	\$43,713,624	(\$2,089,535)
Intergov Revenue	\$95,821,935	\$87,850,512	\$94,830,580	\$94,220,023	(\$610,557)
Indirect Revenue	\$0	\$0	\$0	\$9,000	\$9,000
<b>Total Revenues</b>	<b>\$145,356,586</b>	<b>\$130,896,292</b>	<b>\$140,633,739</b>	<b>\$137,942,647</b>	<b>(\$2,691,092)</b>
<b>Tax Levy</b>	<b>\$20,018,159</b>	<b>\$18,887,973</b>	<b>\$22,466,630</b>	<b>\$22,466,206</b>	<b>(\$424)</b>
<b>Personnel *</b>					
<b>Full-Time Pos. (FTE)</b>	0	0	0	0	0
<b>Seas/Hourly/Pool Pos.</b>	0	0	0	0	0
<b>Overtime \$</b>	\$0	\$0	\$0	\$0	\$0

\* The Personnel table above represents Milwaukee County employees. Transit staff are employees of Milwaukee Transport Services (MTS), Inc., a quasi-governmental instrumentality of Milwaukee County and therefore not reflected.

**Department Mission:** The Milwaukee County Transit System (MCTS) exists to provide reliable, convenient and safe public transportation services that efficiently and effectively meet the varied travel needs of the community and contribute to its quality of life.

**Department Description:** The Director's Office of the Milwaukee County Department of Transportation (MCDOT) provides County oversight of MCTS as well as conducts various transit related studies and prepares and administers Federal and State transit grants. Division personnel also facilitate the acquisition of capital equipment and provide the Architecture & Engineering Division (A&E) of the Department of Administration Services (DAS) with capital improvement recommendations for MCTS facilities.

Milwaukee Transport Services, Inc. (MTS), as a quasi-governmental instrumentality of Milwaukee County, manages and operates the Milwaukee County Transit System, including paratransit services. MTS uses transit facilities and equipment owned and provided by Milwaukee County.

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## Strategic Program Area 1: Paratransit

Strategic Outcome: Quality of Life

What We Do: Activity Data			
Activity	2015 Actual	2016 Budget	2017 Budget
Van Trips per Hour	1.93	1.93	1.93
Van Ridership	421,924	444,189	424,033
Agency Ridership	20,954	24,100	21,000
Taxi Ridership	80,528	82,915	82,944
Total Ridership	523,406	551,204	527,977

How We Do It: Program Budget Summary					
Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Var
Expenditures	\$17,073,810	\$15,675,884	\$16,272,746	\$16,258,946	(\$13,800)
Revenues	\$15,964,264	\$14,682,089	\$14,834,608	\$14,719,655	(\$114,953)
Tax Levy	\$1,109,546	\$993,795	\$1,438,138	\$1,539,291	\$101,153
FTE Positions	0	0	0	0	0

How Well We Do It: Performance Measures			
Performance Measure	2015 Actual	2016 Budget	2017 Budget
Purchased Cost per Ride			
Van	\$27.82	\$27.11	\$28.21
Agency	\$9.89	\$10.21	\$10.40
Taxi	\$12.59	\$12.25	\$12.25
Total Cost per Ride	\$29.95	\$29.52	\$30.79

### Strategic Implementation:

Paratransit operations include the provision of demand responsive transportation and orientation to transportation services. These services provide a complement to the fixed-route services of MCTS and are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible.

Mobility management and travel training activities have helped paratransit eligible passengers overcome barriers to using fixed route transit services, which reduces demand for paratransit services. MCTS will continue to coordinate with the Office for Persons with Disabilities and other County agencies to continue to provide free rides on the fixed route system for paratransit eligible persons with disabilities through the New Freedom Initiative. Paratransit will also continue to maintain Milwaukee County border-to-border service.

The paratransit cash fare remains \$3.50 per one-way trip and the trip subsidy paid by Managed Care Organizations (MCO's) will remain \$16.55 (\$20.05 including the \$3.50 per one-way trip fare). Ridership is projected to decline about 4 percent overall. Increases in purchased cost per ride of about 4 percent are consistent with purchased transportation services contracts for van, agency and taxicab rides. Expenditures and revenues remain flat. A small increase in tax levy support for paratransit is offset by a similar decrease in the levy for fixed route services.

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## Strategic Program Area 2: Fixed Route

Strategic Outcome: Quality of Life

What We Do: Activity			
Activity	2015 Actual	2016 Budget	2017 Budget
Buses in Fleet	412	412	405
Buses Operated in Peak Hour	343	354	337
Annual Bus Miles	18,437,783	18,490,524	18,483,529
Annual Miles per Bus	44,752	44,880	45,638
Annual Bus Hours	1,396,012	1,425,615	1,398,929
Total Passengers	34,473,760	36,460,000	33,065,000
Passenger Revenue	\$34,892,296	\$37,551,647	\$36,189,363
Revenue per Passenger	\$1.01	\$1.03	\$1.09

How We Do It: Program Budget Summary					
Category	2015 Budget	2015 Actual	2016 Budget	2017 Budget	2017/2016 Var
Expenditures	\$148,300,935	\$134,108,381	\$146,827,623	\$144,149,907	(\$2,677,716)
Revenues	\$129,392,322	\$116,214,204	\$125,799,131	\$123,222,992	(\$2,576,139)
Tax Levy	\$18,908,613	\$17,894,177	\$21,028,492	\$20,926,915	(\$101,577)
FTE Positions	0	0	0	0	0

How Well We Do It: Performance Measures			
Performance Measure	2015 Actual	2016 Budget	2017 Budget
Farebox Recovery Ratio	27.30%	26.93%	26.60%
Passengers per Bus Hour	24.7	25.6	23.6
MTS Cost per Bus Hour	\$91.56	\$97.83	\$97.25
MTS Cost per Mile	\$6.93	\$7.54	\$7.36
MTS Cost per Passenger	\$3.71	\$3.83	\$4.11

### Strategic Implementation:

Metro Express routes (Gold and Purple) will continue to be partly funded with Congestion Mitigation and Air Quality (CMAQ) revenues. There is currently only one year of CMAQ funding available to cover two years of operations costs. CMAQ funding in 2017 decreases \$1.7 million from \$5.7 million to \$4.0 million. Reducing CMAQ revenue leaves an estimated reserve funding of \$2.4 million for 2018 with the goal of continuing these routes. Milwaukee County has been awarded additional CMAQ funds of \$4.8 million to cover 2019 and 2020.

Routes 6, 61 and 279 will continue to be fully funded with Zoo Interchange litigation funds.

Fixed-route services will change minimally from the current year. A reduction in bus hours of 1.9 percent reflects changes in Downtown Milwaukee resulting from the sale of the Downtown Transit Center, as well as removal of select school specific bus services in instances where the underlying fixed route transit buses have available capacity.

Expenditures decrease by about \$2.7 million. Increases in wage and benefit costs are primarily offset by favorable fuel pricing. Fuel is budgeted at \$1.58 per gallon compared to \$2.70 per gallon in 2016 due to the use of fuel price hedging through futures contracts. Expenditures for fuel decrease \$5.2 million from \$11.7 million to \$6.5 million. Future year increases in the cost for fuel could significantly impact future budgets.

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Passenger revenues decrease by about \$1.4 million. Fare increases are proposed for premium fares used to pay for Freeway Flyers and several forms of adult fare passes to counter negative annual revenue trends. See attached table.

Furthermore, to counter negative revenue trends, the GO Pass program at an estimated cost of \$4.4 million in 2017 is eliminated. The Cash Concession Fare (e.g. Cash Half-Fare) remains at \$1.10 and is available as an alternative to the GO Pass. Elimination of the Go Pass program is expected to result in passenger fare recovery of \$3.3 million in revenue.

Long-term sustainability continues to be a goal. Significant cost pressures on both the operating and capital budgets will necessitate a review of the overall system during 2017 including service levels, route productivity, infrastructure footprint, and bus fleet size in preparation for challenges presented in balancing the 2018 and 2019 budgets. This review will better identify current ridership trends and needs. From the analysis, MCTS can suggest system improvements with the goal of maximizing ridership while minimizing cost of operations.

Transit capital infrastructure challenges continue. Federal funds were historically available to fund as much as 83 percent of the cost of a bus compared to 16 percent that was available in 2016. Currently about 25 percent of buses are at the end of their useful life. This results in a 33 percent increase in debt and depreciation expense in the 2017 operating budget.

Finally, the MCTS budget includes anticipated revenue contracts that will exceed \$300,000, and in accordance with Wisconsin Statute 59.52(31), require approval from the County Board. Passage of the MCTS budget will allow the Department of Transportation to apply for and execute the following revenue grant contracts in 2017:

- State Urban Mass Transit Operating Assistance Contract (Section 85.20)
- State Urban Mass Transit Paratransit Assistance Contract (Section 85.205)
- State Specialized Transportation Assistance Program for Counties (Section 85.21)
- State Traffic Mitigation Contract – Zoo Interchange Project
- Federal Urbanized Area Formula (Section 5307)
- Federal Bus and Bus Facilities Formula (Section 5339)

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FARE NAME	CURRENT FARE	PROPOSED FARE	COMMENT
<b>Cash Fares</b>			
Adult	\$2.25	\$2.25	No change
Premium	\$3.25	\$3.50	25 cent increase. Allows \$7 Summerfest cash fare
Concession (Half-Fare)	\$1.10	\$1.10	No change
<b>Advance Purchase Fares</b>			
Adult Tickets	\$1.75	\$1.75	No change
Premium Tickets	\$2.35	\$2.50	15 cent increase
Concession (Half-Fare) Tickets	\$1.10	\$1.10	No change
<b>Pass Fares</b>			
1-Day Adult Pass	\$4.00	\$4.00	No change; purchased at ready fare outlet
1-Day Adult Pass	\$5.00	\$5.00	No change; loaded on existing smartcard at farebox
1-Day Premium Pass	\$6.00	\$6.00	No change; purchased at ready fare outlet
1-Day Concession Pass	\$2.00	\$2.00	No change; purchased at ready fare outlet
1-Day Concession Pass	\$3.00	\$3.00	No change; loaded on existing smartcard at farebox
3-Day Adult Pass	\$12.00	\$12.00	No change
3-Day Premium Pass	\$18.00	\$18.00	No change
3-Day Concession Pass	\$6.00	\$6.00	No change
3-Day Concession Premium Pass	\$9.00	\$9.00	No change
7-Day Adult Pass	\$17.50	\$19.50	\$2 increase
7-Day Premium Pass	\$24.00	\$27.00	\$3 increase
7-Day Concession Pass	\$11.00	\$11.00	No change
31-Day Adult Pass	\$64.00	\$72.00	\$8 increase
31-Day Premium Pass	\$85.00	\$96.00	\$11 increase
31-Day Concession Pass	\$32.00	\$32.00	No change
<b>Other Special Fares</b>			
Student Pass	\$16.50	\$16.50	Valid weekdays, only for schools; No change
U-PASS	\$45.00	\$45.00	Per semester; No change
Commuter Value Pass	\$201.00	\$220.00	Per quarter; \$19 increase
New Freedom Pass	Free	Free	Free to eligible paratransit clients; No change
Transfer	Free	Free	Encoded on passenger's smartcard; No change
M-Card Lite: One 90 minute pass	\$2.00	\$2.00	For social service agencies/non-profits; No change
M-Card Lite: Two 90 min. passes	\$4.00	\$4.00	For social service agencies/non-profits; No change
Paratransit Fare	\$3.50	\$3.50	Per one-way trip; No change